




PHIL BREDESEN
GOVERNOR

STATE OF TENNESSEE
DEPARTMENT OF EDUCATION
DIVISION OF SPECIAL EDUCATION
7th FLOOR, ANDREW JOHNSON TOWER
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0380

LANA C. SEIVERS, Ed.D.
COMMISSIONER

MEMORANDUM

TO:  Director of Schools
FROM: Joseph Fisher, Assistant Commissioner
SUBJECT: Reimbursement Request for High Cost Students for the 2006-2007 SY
DATE: April 16, 2007

Additional funds for very high cost children with disabilities are subject to the availability of federal funds as specified in Public Law 108-446, Section 602(8) and 611(e)(3). **These additional federal funds are distributed to school systems based on special education expenditures from the General Purpose School Funds only.** These additional funds received by the LEA must be budgeted and expended as General Purpose Funds in the 71200 and 72220 series for audit purposes and included in the review for maintenance of effort. Please remember that Functionally Delayed and Intellectually Gifted are state disability categories and not federal; therefore, requests for reimbursement for these disabilities are not accepted.

The required information should be submitted to the Management Consultant in the district office serving your school system. Only current year forms will be processed; no prior year forms will be considered. If your request is faxed to your Management Consultant in order to meet the deadline, please submit the original in the mail immediately. **Requests submitted after June 30th will not be accepted.**

Attached you will find "Instructions and Guidelines for Determining the High Cost of Special Education Programs," followed by the forms needed to complete your request. Requests that are not covered by these guidelines may be presented by the Director of Schools along with the packet of requests.

When submitting a reimbursement request for additional funds for high cost students, the applicable enclosed forms must be completed:

1. Certification - **Must** be signed by the Director of Schools. One form for all requests.
2. Completion of the appropriate form(s):
 - a. Priority 1 Report Form for each child placed in a DOE Special School,
 - b. Priority 2 Report Form for each child placed by a State Agency and
 - c. Priority 3 Report Form for each high cost child placed and served by the Local Education Agency (LEA). - Extremely High Cost
 - d. Priority 4 Report Form for each high cost child placed and served by the Local Education Agency (LEA) – Very High Cost

If you have any further questions, please contact your Management Consultant or Nan McKerley at (615) 741-7796.

cc: Nan McKerley
Management Consultants
Special Education Supervisors

**INSTRUCTIONS AND GUIDELINES FOR DETERMINING
THE HIGH COST
OF SPECIAL EDUCATION PROGRAMS
2006-2007 School Year (SY)**

PLEASE NOTE: State disability categories of functionally delayed and intellectually gifted may not be submitted for high cost reimbursement. The Office of Special Education Programs does not recognize these two categories and federal IDEA funding is not received for these categories.

PRIORITY 1 - Children Placed in State Department of Education Special Schools - Tennessee Department of Education State Special Schools include Tennessee School for the Blind, Tennessee School for the Deaf, and West Tennessee School for the Deaf. Federal grants from additional funds are 100% of the high cost to the LEA. When children are placed through appropriate procedures in a State Department of Education Special School, the school system of residence may be required to provide additional services to assure that each child has an appropriate special education program. Since school systems **do not** generate State or Federal funds for these children, the amount expended by the school system may be paid by high cost funds. Use the Priority 1 Report Form to provide documentation of expenditures.

PRIORITY 2 - Out-of-System Residents Placed by a State Agency - This includes such state agencies as the Department of Human Services, the Department of Mental Health and Developmental Disabilities, the Department of Children's Services, the Department of Health and children placed by the Implementation Team (Bureau of TennCare, Department of Health). This only applies to those children placed by a state agency for the **first year** of service in a school system. After the first year, those students generate state and federal dollars as any other child with a disability in your school district. The Division will pay 100% of the high cost to the LEA. Use the Priority 2 Report Form to provide documentation of expenditures.

When out-of-system children with disabilities are placed in a group or foster home in a school system which is not the resident system, the school district where the children are placed is to follow the required procedures and provide the appropriate educational services. After the first year, these children are reported on the census and may then become Priority 3 and any additional funds received are based on the additional cost of the program. (Read *Allowable Expenditures for High Cost Children* under Priority 3.)

PRIORITY 3 – Child Placed and Served by the Local Education Agency (LEA) – Some children require extensive and costly special education and related services that create a severe financial burden on the school system. Additional funds will be used to assist in the provision of such a high cost program **when the additional cost is greater than three times the state's average per pupil expenditures**. The percentage of reimbursement for high cost for this priority is determined based upon the available money in the required High Cost discretionary pool and the total amount requested by all LEAs. Use the Priority 3 Report Form to provide documentation of expenditures. For IDEA, Part B approximately forty-five percent (45%) of the total cost was reimbursed to LEAs during the 2005-06 SY for allowable costs. For Preschool, it was 100%.

When applying for Priority 3, very high cost children, school systems will be allowed a maximum of .3% of the December 1, 2005 census count for total number of children served. School systems with a December census count of less than 600 will be allowed to submit up to three (3) high cost children under Priority 3.

Dec. 1, 2005 Census Count X .3% = allowable requests

GENERAL PURPOSE/STATE PER PUPIL EXPENDITURE for PRIORITY 3 Requests –

To qualify for a high cost reimbursement, the General Purpose expenditures must be **three times** the State average per pupil expenditure of \$7,469 or **\$22,407** for the 2005-06 school-year (Section 611(e)(3)(C)). The State average per pupil expenditure information is also located on the *TN State Report Card* under *Finance Information*.

Priority 4 – Very high cost children with disabilities who are the responsibility of the school system when the additional cost is 250% greater than the total funds to be deducted on a specific student.

The percentage of reimbursement for high cost for this priority is determined based upon the available money in the state discretionary award after reimbursing Priority 1 and 2 and the total amount requested by all LEAs. Based on the availability of funds, up to 100% of total allowable costs will be reimbursed. For IDEA, Part B, thirty percent (30%) of the total cost was reimbursed to LEAs during the 2005-06 SY for allowable costs. For Preschool, it was 59%.

When applying for Priority 4 for high cost children, school systems will be allowed a maximum of .3% of the December 1, 2005 census count for total number of children served. School systems with a December census count of less than 600 will be allowed to submit up to three (3) high cost children under Priority 4.

Dec. 1, 2005 Census Count _____ X .3% = _____ allowable requests

Allowable expenditures for determining a high cost child are:

- a. One-on-one assistance.
- b. Specialized equipment specific to the child and required to provide FAPE.
- c. Special transportation exceeding requirements of special education buses/vans.
- d. Cost of contractual services for an eligible child.
- e. Other: _____

NOTE: A LEA may request reimbursement for salaries for special education teachers and teacher assistants only if a new class was created to accommodate a child or group of children (pro/rate child). This should be submitted as a separate request along with the Priority requests. Please include documentation to support this request, such as school where class is housed, name/type of class, teacher, number of students, etc. and must be signed by the Director of Schools.

Non-allowable expenditures for determining a high cost child are:

- a. Pro-rated salaries for teachers or teaching assistants already providing special education services.
- b. Pro-rated salaries of related services personnel already providing services.
- c. Pro-rated salaries of special education bus drivers and attendants already providing services.
- d. Pro-rated time of director, supervisor, principal school psychologist and/or counselor for administrative duties, meetings, etc.,
- e. Specialized equipment/materials already provided by the school system.

FEDERAL FUNDS

This amount is different for every school system depending on their December base allocation (based on their December headcount for either 1998 (IDEA, Part B) or 1996 (Preschool)), population and poverty figures. The correct amounts for your school system will be provided to you by your Management Consultant or Nan McKerley. This amount should be used when a high cost student has been reported on the December 1, 2005 census:

6-21 year olds: \$ /student (Part B funds only)
3-5 year olds: \$ /student (includes Part B and Preschool funds)

NOTE: Do not submit more Priority 3 forms than the maximum allowable for your system!

**CERTIFICATION REQUEST
FOR
HIGH COST FUNDS
FOR THE
2006-2007 SY**

I certify that the information provided in this request for additional funds is accurate, and each student's evaluation, eligibility and IEP are current. I certify that only children with federally recognized disability categories have been included in this request. I assure that state and local funds expended for the special education program will demonstrate maintenance of effort in order to qualify for any federal funds, including those for high cost children. Documentation is available in the school system to support these expenditures from General Purpose funds and all reimbursements will be budgeted and expended as General Purpose funds in the 71200 and/or 72220 series for audit purposes.

Signature of Director of Schools

School System

Date

NOTE: Submit only one certification page for all requests.

PRIORITY 1
2006-2007 SY

CHILD PLACED IN A SDOE SPECIAL SCHOOL

☐ TSB ☐ TSD ☐ WTSD

1. Student Name: _____
Social Security # / Student ID: _____ D.O.B.: _____
2. Current IEP developed: _____
(date)
3. Documentation of total General Purpose expenditures incurred by the LEA:

Specific Services	Frequency	Period Covered By Request	Expenditure

Total Expenditures: \$ _____ 0

4. Eligible High Cost Reimbursement _____

LEA _____ Page _____ of _____

PRIORITY 2
2006-2007 SY

CHILD PLACED BY A STATE AGENCY
(OUT-OF-SYSTEM RESIDENT)

1. Student Name: _____ D.O.B.: _____
(Class Action Member) Yes No

Social Security # / Student ID: _____ Disability: _____

2. Agency having legal custody of student: _____

3. Prior LEA of residence: _____

4. Current IEP developed: _____
(date)

5. Eligibility determined by current LEA: _____
(date)

6. Documentation of total General Purpose expenditures incurred by the LEA:

Specific Services	Frequency	Period Covered By Request	Expenditure

Eligible High Cost Reimbursement: Total Expenditures: _____ 0

PRIORITY 3
2006-2007 SY
CHILD PLACED AND SERVED BY LEA

1. Student Name: _____ D.O.B.: _____
Social Security # / Student ID: _____ Disability: _____
2. School attended (SY06-07): _____ Current IEP developed: _____
Date
3. Reported on December 1, 2005 census? _____
Yes No
Preschool child (ages 3-5 as of Dec. 1, 2005): _____
Yes No
4. Funds to be deducted from total cost for student:
a. General Purpose Funds: \$ _____
b. Federal funds (if #3 is yes): \$ _____
c. Total funds to be deducted: \$ _____
(Total of a and b above)
5. Documentation of total General Purpose expenditures incurred by the LEA:

Specific Services (from allowable expenditures a-e in Guidelines)	Frequency	Period Covered By Request	Expenditure

Total General Purpose Expenditures: _____ \$0.00

Less #4c above: _____

* Eligible High Cost Reimbursement: _____ \$0.00

6. If a detailed explanation of requested expenditures is needed, please use the back of the form.

* Must be greater than 3 times the State average per pupil expenditure (\$7,469) to qualify for high cost or \$22,407.00.

LEA _____ Page _____ of _____

Submission Deadline: **June 30, 2007**
PRIORITY 4
 2006-2007 SY
 CHILD PLACED AND SERVED BY LEA

1. Student Name: _____ D.O.B.: _____

Social Security # / Student ID: _____ Disability: _____

2. School attended (SY06-07): _____ Current IEP developed: _____
 Date

3. Reported on December 1, 2005 census? Yes No

Preschool child (ages 3-5 as of Dec. 1, 2005): Yes No

4. Funds to be deducted from total cost for student:

a. General Purpose Funds: \$ _____
 b. Federal Funds (if #3 is yes): \$ _____
 c. Total Funds to be deducted: \$ _____
 (Total of a and b above)

5. Justification of need for excess high cost services:

- ☐ Additional teacher/service because of a new child
☐ Transportation costs
☐ Other: _____

6. Documentation of total General Purpose expenditures incurred by the LEA:

Specific Services (from allowable expenditures a-e in Guidelines)	Frequency	Period Covered By Request	Expenditure

Total General Purpose Expenditures: \$0.00

Less #4c above:

* Eligible High Cost Reimbursement: \$0.00

* Eligible High Cost Reimbursement must be 250% greater than the total funds (4c).